



**RAINBOW**  
MUNICIPAL WATER DISTRICT  
*Committed to Excellence*



# EXEMPT



MEMORANDUM OF UNDERSTANDING  
JULY 1, 2021 - JUNE 30, 2025





## Contents

PREAMBLE	.....	1
ARTICLE 1	RECOGNITION AND CONDITIONS .....	1
ARTICLE 2	IMPLEMENTATION.....	1
ARTICLE 3	TERM.....	1
ARTICLE 4	NON-DISCRIMINATION.....	2
ARTICLE 5	COMPENSATION.....	2
Section 1	Salary Grades and Pay Ranges .....	2
Section 2	Cost of Living Adjustment (COLA) .....	2
Section 3	Merit Awards .....	3
Section 4	Out of Class Pay .....	4
Section 5	Retirement Notice Bonus.....	4
Section 6	Cash In-Lieu of Benefits.....	4
ARTICLE 6	EMPLOYEE BENEFITS.....	4
Section 1	Medical, Dental, and Vision Insurance.....	4
Section 2	Retirement Health Care Contribution .....	8
Section 3	Deferred Compensation Matching Programs.....	9
Section 4	Life and Disability .....	10
Section 5	Public Employees' Retirement System.....	10
Section 6	Education Assistance Program .....	11
ARTICLE 7	PAID TIME OFF .....	12
Section 1	PTO Accrual Rates.....	12
Section 2	Paid Time Off Buyback.....	12
Section 3	Civic Duty Leave .....	12
Section 4	Holidays.....	13

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Rainbow Exempt Employees MOU 2021-2025

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Section 5	Meritorious Leave .....	14
ARTICLE 8	UNIFORMS .....	14
ARTICLE 9	SAFETY FOOTWEAR .....	15
ARTICLE 10	NEW EMPLOYEE BARGAINING UNIT ORIENTATION .....	15
Section 1	Advance Notice of New Employees' Start Dates.....	15
Section 2	Access to New Employees during New Hire Orientation .....	15
Section 3	Access to Employee Contact Information .....	15
ARTICLE 11	SEVERANCE PAY .....	16
ARTICLE 12	ME-TOO CLAUSE.....	16
ARTICLE 13	RENEGOTIATIONS .....	17
ARTICLE 14	MODIFICATIONS, WAIVER .....	17
ARTICLE 15	PROVISIONS OF LAW .....	17
ARTICLE 16	DISTRICT RIGHTS .....	17
ARTICLE 17	ENTIRE AGREEMENT .....	18



## PREAMBLE

This agreement is made and entered into this 23<sup>RD</sup> day of June 2021 to be effective beginning July 1st, 2021, and between the Rainbow Municipal Water District, from now on referred to as the District, and the Rainbow Exempt Employees, from now on referred to as the Exempt Employees.

## ARTICLE 1 RECOGNITION AND CONDITIONS

The District recognizes the Exempt Employees as representative of the unit set forth below. The General Manager agrees to meet and confer with said Exempt Employees on all matters relating to the scope of representation impacting the employees of said unit, as authorized by law. The recognized representation shall consist of all Exempt Employees of the District except the General Manager.

The General Manager may terminate Exempt Employee's employment and, as a result of this, terminate this agreement at any time. It is understood and agreed that Exempt Employees are "at will" employees. As an "at will" employee, Exempt Employee's employment may be terminated at any time, and no reason need be given for such termination. In the event of such termination, Exempt Employee shall have no right to a hearing or other review of the reason for the termination by the District and Exempt Employee expressly waives any right to such a hearing or other review which may otherwise be granted by law or which may apply to other employees of the District. However, Exempt Employees will be entitled to severance pay as stated in Article 11.

## ARTICLE 2 IMPLEMENTATION

It is agreed that this Memorandum of Understanding shall not be effective until the District Board of Directors:

1. Acts, by majority vote, formally to approve and adopt said Memorandum of Understanding;
2. Acts to budget the necessary funds required to implement the provisions of the Memorandum of Understanding which require funding;
3. Agrees to work under provisions of existing Memorandum of Understanding until a successor agreement is reached; and
4. Agreement is signed by the designated District Board of Director and ratified by a majority of Exempt Employees.

## ARTICLE 3 TERM

The term of this Memorandum shall commence on July 1st, 2021. It shall expire and otherwise be fully terminated at midnight on June 30th, 2025.



## ARTICLE 4 NON-DISCRIMINATION

The District and the Exempt Employees mutually agree that there will be no discrimination against any employee in the application of the terms of this agreement because of race, sex, age, physical or mental disability, religion, sexual orientation, gender identity, or any other category protected by applicable federal, state or local law. The District and Exempt Employees agree that the District is permitted to take all actions necessary to comply with all applicable federal, state, and local laws and regulations, including but not limited to the Americans with Disabilities Act, and including all new laws and regulations enacted during the term of this agreement, regardless of any provisions of this agreement.

## ARTICLE 5 COMPENSATION

### Section 1 Salary Grades and Pay Ranges

Pay ranges are established in the Rainbow Municipal Water District Exempt Salary Grades. The resulting Salary Grade pay ranges are adopted by separate action of the Board of Directors. Effective on July 1st of each year that this agreement is in effect, the following pay range adjustments will be made:

Exempt Salary Grade ranges shall be increased by an amount equal to the 12-month percentage change in the San Diego-Carlsbad CPI-U most recently published by the Bureau of Labor Statistics, rounded to the nearest tenth, with a minimum adjustment of .5% and no maximum. The following hypothetical example illustrates how the pay range adjustment would be calculated:

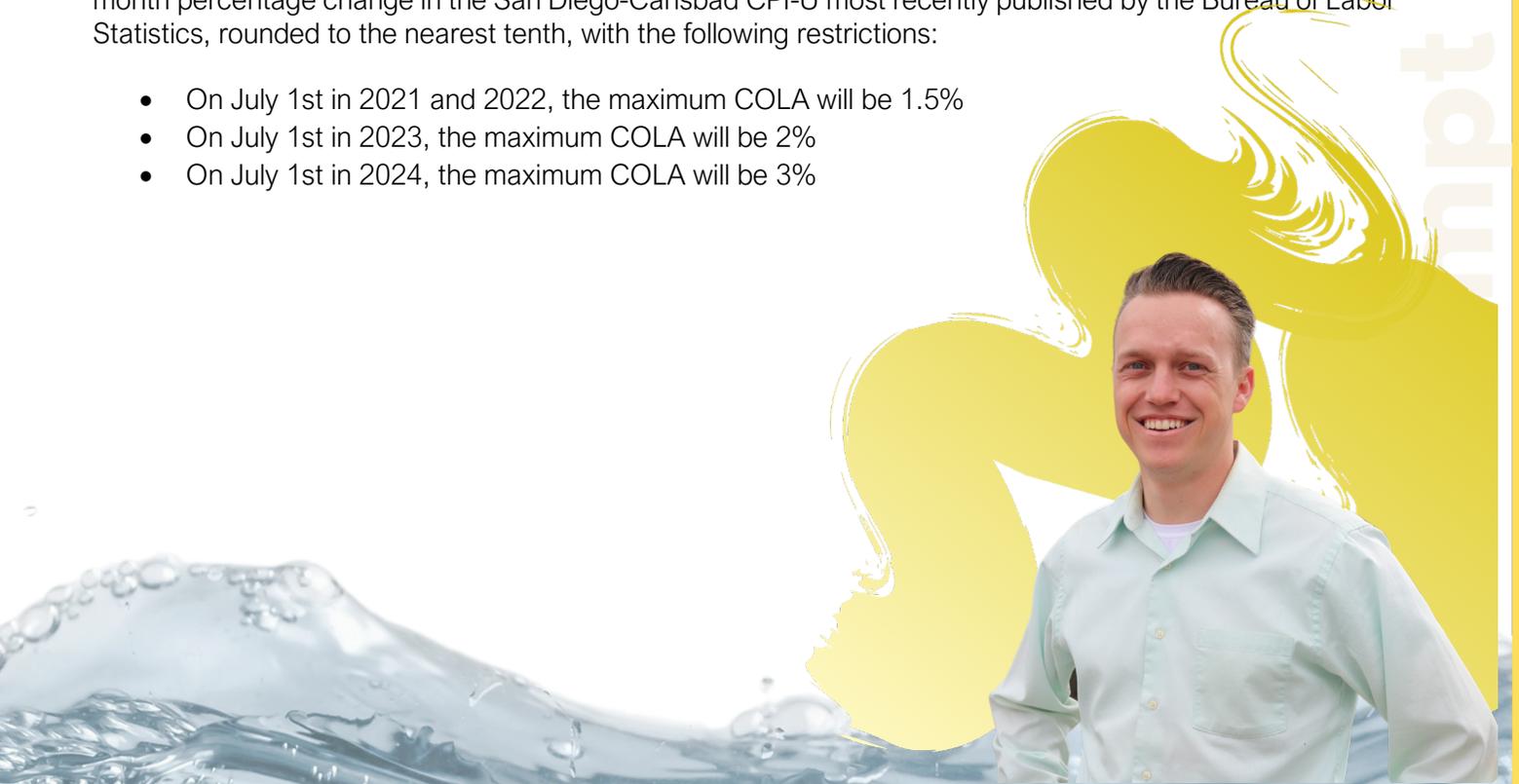
- San Diego-Carlsbad CPI-U as of May 2020: 300 (note this is not the actual number)
- San Diego-Carlsbad CPI-U as of May 2021: 304.905

The 12-month percent change is 1.635%, so the minimum and maximum of each Exempt Salary Grade pay range would increase by 1.6%

### Section 2 Cost of Living Adjustment (COLA)

On July 1st of each year, each employee will receive a base pay Cost-of-Living-Adjustment based on the 12-month percentage change in the San Diego-Carlsbad CPI-U most recently published by the Bureau of Labor Statistics, rounded to the nearest tenth, with the following restrictions:

- On July 1st in 2021 and 2022, the maximum COLA will be 1.5%
- On July 1st in 2023, the maximum COLA will be 2%
- On July 1st in 2024, the maximum COLA will be 3%



### Section 3 Merit Awards

All employees shall be eligible for consideration for a merit award after one year of employment and each year after that. Merit awards will be in the form of base pay increases unless the award causes the employee's base pay to exceed the maximum pay range for their Salary Grade. If this occurs, the employee will receive a lump sum for the annual equivalent amount exceeding the maximum of the pay grade. According to CalPERS rules, lump-sum merit awards are not subject to CalPERS contributions. Merit awards will be calculated by averaging the merit award percentage that corresponds with the score in each Performance Factor of the Annual Performance Review, per the following matrix:

Excellence Achieved	6%
Exceeds Expectations	3.5%
Successful	2%
Approaching Success	0%
Unsuccessful	Disqualified

Employees who receive an Unsuccessful rating in any Performance Factor or are on a Performance Improvement Plan will not be eligible for a merit award.

The following examples illustrate how a merit award is calculated:

#### EXAMPLE CALCULATION:

If Employee A's base pay is \$3,800.00 per pay period, a 3% merit award would bring their base pay to \$3,914.00 per pay period. If the maximum of their pay grade is \$3,914.00 per pay period or greater, then the entire award will be in the form of a base pay increase.

Suppose the maximum of their pay grade is less than \$3,914.00 per pay period. In that case, the employee will receive a base pay increase up to the maximum of the Salary Grade and a lump sum award for the annual equivalent of the difference. For example, if the maximum of the pay grade is \$3,875.00 biweekly, then the employee's base pay will increase to \$3,875.00 per pay period, and they will receive a lump-sum payment of  $\$39 \times 26 \text{ pay periods} = \$1,014.00$

Performance Factors	Excellence Achieved	Exceeds Expectations	Successful	Approaching Success	Unsuccessful	Merit Percentage
Responsibility	X					6%
Integrity		X				3.5%
Innovation				X		0%
Professionalism		X				3.5%
Teamwork			X			2%
<b>MERIT AWARD</b>						<b>3.0%</b>



## Section 4 Out of Class Pay

The General Manager shall have the discretion to assign Out of Class Pay of up to 10% when an exempt employee is assigned explicitly in writing to perform the duties of a higher-level position for a position at a higher pay grade for more than two full pay periods.

## Section 5 Retirement Notice Bonus

To encourage and reward advance notice of an employee's intent to retire, the District will pay a \$1,000 Retirement Bonus for employees who give more than six months' notice of the intended retirement date in writing. The bonus shall be paid on the employee's last day worked, provided the actual date is within one month of the date given in the Notice of Intent to Retire.

Notices of Intent to Retire may be rescinded within 28 days of submittal. After that point, the District begins to expend considerable time and monetary resources to prepare for the employee's retirement. Therefore the notice cannot be rescinded after 28 days. Suppose an employee rescinds their Notice of Intent to Retire. In that case, they will forfeit their eligibility for the Retirement Notice Bonus in the future.

## Section 6 Cash In-Lieu of Benefits

Exempt employees who do not wish to enroll in one of the District's offered health plans will have the choice of waiving coverage, provided they can show that they are covered under another group insurance program. Exempt employees who decline coverage through the District's health plans will be eligible for a cash stipend in the amount of \$340 per month (\$4,080 annually), payable the first pay period of each month.

# ARTICLE 6 EMPLOYEE BENEFITS

## Section 1 Medical, Dental, and Vision Insurance

The District shall offer affordable group medical, dental, and vision insurance plans to all full-time employees. The District's contribution towards the cost of the insurance premiums will vary based on which health plan and which coverage tier the employee selects.

Due to the possible volatility of the health insurance market, the parties agree that certain circumstances may warrant renegotiating the terms of this Section of this Article before this contract expires. The following circumstances may trigger a renegotiation of this Article:

- If the health plans the District offers become unavailable due to factors outside the District's control, such as unilateral changes imposed by an insurance carrier;
- If premium costs for an offered plan increase by more than 15% in a single year;
- If the parties desire to seek comparable plans with lower premium costs from other insurance carriers.
- If any of these conditions occur, the District will notify the bargaining unit President in writing of the District's intent to renegotiate this Section of this Article no later than August 15th for changes to be effective in the following plan year.





### Health Savings Account Deposits

Employees who elect to enroll in either the Anthem or Kaiser Consumer Driven Health Plans will be eligible to enroll in Health Savings Accounts. Health Savings Accounts may be used to pay for out-of-pocket medical, dental, and vision care expenses, including copays, prescriptions, and other qualifying expenses per IRS regulations.

On the first banking day of the calendar year, the District will make deposits into the Health Savings Accounts on behalf of the eligible employees. The amount the District will fund depends on the employee's coverage tier, as follows:

Plan Selected	Amount Funded into HSA		
	Employee Only	Employee + 1	Family
<b>Anthem CDHP</b>	Full Deductible (\$1,500)	\$2,800	\$2,800
<b>Kaiser CDHP</b>	Full Deductible (\$1,500)	\$2,800	\$2,800

Employees may elect to contribute additional funds into their Health Savings Accounts through payroll deductions, up to the IRS annual contribution limits.

### One-Time Enrollment Incentive HSA Contribution

As an incentive for employees who switch from either the Anthem HMO or Anthem PPO plan into either the Anthem CDHP or Kaiser CDHP plan during the Open Enrollment period for the plan year that begins January 1st, 2022, the District will make a one-time additional deposit into the employee's Health Savings as follows:

- Employee-Only coverage: \$1,000
- Employee + 1 or Family Coverage: \$1,200

This provision is only available for the specific plan enrollment changes and plan year above. It will not be offered for any plan changes after that.

### Employee Only Coverage

Beginning with the plan year that begins January 1st, 2022, the District will pay 100% of the premium costs for employee-only coverage, up to the total cost of the middle plan for employee-only coverage, including District Health Savings Account contributions. Suppose the employee selects one of the two more expensive plans. In that case, the employee will contribute the difference in cost between the middle plan and the higher cost plan through payroll deductions.

Calculation example for employee-only coverage is as follows:



Plan Ranking	Plan Name (example only, ranking could change annually)	Premium cost* *example only	District HSA Contribution	Employee Cost (annually / 24 pay periods)
First plan (least expensive)	Kaiser CDHP	\$7,000	\$1,500	FREE
Second Plan	Kaiser HMO	\$9,000	n/a	FREE
Third Plan (middle plan)	Anthem CDHP	\$9,000	\$1,500	FREE
Fourth Plan	Anthem PPO	\$11,000	n/a	\$500 / year \$20.83 / pay pd
Fifth Plan (most expensive)	Anthem HMO	\$12,000	n/a	\$1,500 / year \$62.50 / pay pd



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### Dependent Care Coverage

The District will contribute towards total costs for the Employee + 1 or Family coverage tiers, including premiums and HSA contributions, at varying levels based on the plan selected, according to the chart below.

Plan Ranking	District Contribution to Total Costs	Employee Cost Share
First plan (least expensive)	100%	FREE
Second Plan	85%	15%
Third Plan (middle plan)	85%	15%
Fourth Plan	80%	20%
Fifth Plan (most expensive)	80%	20%

The Plan Rankings will be determined independently for each coverage tier. Employee + 1 and Family coverage rankings may or may not be the same and may change from year to year. The following example illustrates how the cost share for dependent care coverage will be calculated:

Plan Ranking & District/EE Cost Share	Plan Name* (example only, ranking could change annually)	Coverage Tier	Annual Premium Cost* *example only	District HSA Contribution	District Cost Share	Employee Cost Share
First plan (100%/0%)	Kaiser CDHP	Employee +1	\$12,000	\$2,800	\$14,800	\$0
Second Plan (85%/15%)	Kaiser HMO	Employee +1	\$16,500		\$14,025	\$2,475
Third Plan (85%/15%)	Anthem CDHP	Employee +1	\$17,000	\$2,800	\$16,830	\$2,970
Fourth Plan (80%/20%)	Anthem HMO	Employee +1	\$21,000		\$16,800	\$4,200
Fifth Plan (80%/20%)	Anthem PPO	Employee +1	\$22,000		\$17,600	\$4,400
First plan (100%/0%)	Kaiser CDHP	Family	\$17,000	\$2,800	\$19,800	\$0
Second Plan (85%/15%)	Kaiser HMO	Family	\$22,500		\$19,125	\$3,375
Third Plan (85%/15%)	Anthem CDHP	Family	\$23,000	\$2,800	\$21,930	\$3,870
Fourth Plan (80%/20%)	Anthem PPO	Family	\$28,500		\$22,800	\$5,700
Fifth Plan (80%/20%)	Anthem HMO	Family	\$29,500		\$23,600	\$5,900

### Dental and Vision Insurance

The District will cover 100 percent of the premium for employees and dependents.



## Section 2 Retirement Health Care Contribution

Employees hired after July 1st, 2012, will not be eligible for Retirement Health Care Contributions.

Employees hired before July 1st, 2012, will be eligible for Retirement Medical Contributions if they elect not to participate in the District's 401(a) retirement savings plan.

For eligible employees, upon retirement at age 50 or older and with a minimum of ten (10) years of continuous service with the District, the District agrees to a Retirement Health Care Contribution of up to \$363.00 per month towards the retired employee's or up to \$726.00 per month for the retired employee and retired spouse's actual insurance premium costs, until each become eligible for full Medicare coverage. Suppose either the retired employee or retired spouse becomes eligible for Medicare. In that case, the contribution will be reduced to \$363.00 per month until both the retiree and retired spouse become eligible for Medicare. The assistance period for either the retired employee or the retired spouse will be for a maximum of ten (10) years.

There will be two methods of receiving the Retirement Health Care Contribution:

### Reimbursement

Retirees and their retired spouses may purchase health care coverage outside of the District's group health plans. The District will reimburse them for the actual cost of health and dental insurance premiums, up to the established limits above. Retirees must submit receipts or other proof of payment to the Finance Department to receive this reimbursement.



### Continuance on District Plans with Retiree Cost-Sharing

Retirees eligible for the Retirement Health Care Contribution will have the option to remain on the District's group insurance plans offered through ACWA-JPIA and have the Retirement Health Care Contribution amount applied towards the monthly premium costs, as long as the following conditions are met:

- The retiree will be responsible for paying the difference between the actual premium costs and the District's Retirement Health Care Contribution by the first day of each month. A 2% administration fee will be charged for all late payments. Failure to pay the retiree's share of the premiums within 30 days after the due date will result in the cancellation of coverage. Retirees and spouses whose coverage is canceled for non-payment will not be eligible for reinstatement in the group plan.
- Employees who wish to continue on District Plans in retirement must notify the District before the date of retirement and will transfer directly from active status to retired status on the group plan with no lapse in coverage.
- Employees must enroll in the plan they wish to retire into during the Open Enrollment period before retirement. After this point, the only allowable changes are as follows:
  - A retiree may disenroll at any time but may not re-enroll at a later date.
  - A retiree may delete a dependent at any time but may not re-enroll the dependent later.



- Suppose a retiree on an HMO plan relocates to a non-HMO service area. In that case, they will be allowed to enroll in a PPO or CDHP plan. If the retiree moves back into the HMO service area, the retiree may re-enroll in the HMO.
  - The retiree may change from a plan with higher monthly premiums to a plan with lower premiums at any time. However, this election is irrevocable, and they may not switch back.
- Unmarried retirees may only remain on the group plan until they reach Medicare eligibility age.
  - For married retirees, the spouse who reaches Medicare eligibility age first must enroll in Medicare A & B for the spouse who is not yet eligible for Medicare to remain on the group plan. Once both the retiree and spouse have reached Medicare eligibility age, they are no longer eligible to remain on the group plan.
  - If a retiree reaches Medicare eligibility age before their spouse and fails to enroll in Medicare A & B, both the retiree and their spouse will become ineligible to continue on the group plan. The spouse will then be eligible to enroll in COBRA and may access any remaining Retirement Medical Contribution for which they are eligible through the reimbursement option.
  - Suppose the retiree becomes deceased while enrolled in Retiree Coverage. In that case, the surviving spouse will lose eligibility for retiree coverage on the group plan but will become eligible to enroll in COBRA. A surviving spouse may access any remaining Retirement Medical Contribution for which they are eligible through the reimbursement option.
  - Since coverage on the District's plans must be continuous, past retirees cannot re-enroll in the District's plans. COBRA coverage does not count as continuous coverage.
  - If the District's Retirement Health Care Contribution amounts above fail to meet the minimum contribution amounts required by ACWA-JPIA (currently 25% of the least cost retiree-only plan for which the retiree is eligible), then the option to continue on District plans will discontinue. Retirees will need to access this benefit through the reimbursement method.

### Section 3      **Deferred Compensation Matching Programs**

#### **457(b) PLAN**

The District will provide a dollar-for-dollar matching program of up to \$100.00 per pay period per employee into a 457(b) retirement savings account. The employee may contribute additional unmatched funds through payroll deductions, subject to IRS rules.

#### **401(a) PLAN**

The District agrees to establish a 401(a) retirement savings account to assist employees in saving for retirement medical or other retirement expenses. The District will fund the 401(a) accounts as follows:

For Exempt employees hired after July 1st, 2012, the District will match employee contributions to the 401(a) account per the following terms:

0 – 5 years of service:	\$35 per pay period
5-10 years of service:	\$75 per pay period
10-20 years of service:	\$125 per pay period
Over 20 years of service:	\$170 per pay period

The District's matching funds will be tax-deferred, and will become vested per the following vesting schedule:

- 1 year of service = 20% vested
- 2 years of service = 40% vested
- 3 years of service = 60% vested
- 4 years of service = 80% vested
- 5 years of service = 100% vested

If an employee leaves the District's employment before the District's contributions to the 401(a) account have become 100% vested, then the unvested funds will be forfeited and returned to the District. Employee contributions to the 401(a) account will be on a post-tax basis. The employee may contribute additional funds subject to IRS annual limits.

#### Section 4 Life and Disability

The District shall pay for Exempt Employees' life, short and long-term disability, unemployment, and worker's compensation insurance.

#### Section 5 Public Employees' Retirement System

The District participates in the California Public Retirement System (CalPERS). All employees hired at the District before January 1st, 2013 are under the CalPERS miscellaneous formula of 2.5% @ 55 with the one (1) year final compensation period used to calculate retirements. The employees contribute 8% of their annual salary.

A full-time new employee hired on or after January 1st, 2013, will be subject to the Public Employees Pension Reform Act (PEPRA). A new employee who is also a "New Member" to CalPERS will participate under the mandatory miscellaneous formula of 2% @ 62 with the three (3) year final compensation period use to calculate retirements. The employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

According to the PEPRA, a "New Member" is defined as:

1. An individual who is hired on or after January 1st, 2013 and has no prior membership in any California public retirement system
2. An individual whom a different CalPERS employer rehires on or after January 1st, 2013, after a break in service greater than six (6) months
3. An individual who is brought into CalPERS membership for the first time on or after January 1st, 2013, and who is not eligible for reciprocity with another California public retirement system

Suppose a former CalPERS eligible employee of the District has a break in service of more than six (6) months but returns to service with the same District. In that case, the former employee **will not** be considered a new member, according to PEPRA.



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## Section 6 Education Assistance Program

The District will reimburse employees for qualified educational costs for their own education, including tuition, books, fees, and student loan repayments. This reimbursement will be tax-free, per the provisions of Section 127 of the Internal Revenue Code.

- For employees with less than three years of service to the District, the District will reimburse 80% of qualified educational expenses, up to a maximum of \$5,250.00 per calendar year.
- For employees with three or more years of service at the District, the District will reimburse 100% of qualified educational expenses, up to \$5,250.00 per calendar year.

To determine eligibility, the following requirements must be met:

- Courses taken during employment must be pre-approved courses of study leading to attaining a degree or accreditation or providing the course of study is pertinent to the employee's position at the District.
- Courses must be completed with a grade of a "C" grade or higher. A "pass" will be accepted for classes where a pass/fail grading system is used. The class's end date will be the date used to calculate the employee's length of service and in which calendar year the reimbursement will be applied.
- Employees must submit applications to their manager and get approval before starting courses for educational assistance.
- Requests for reimbursement must be submitted within 30 days after completion of the course. Suppose an employee leaves District employment before completion of the approved course. In that case, the District will not reimburse the employee for the course.
- No assistance will be made if the employee utilizes other reimbursement sources (i.e., GI Bill) to pay for the course or portions of the course.
- For student loan reimbursements, the loans must have been for the employee's own education. The loan must have been used to obtain a Certification or Degree relevant to the employee's job with the District. Proof of completion of the Degree and student loan payments will be required to obtain reimbursement.



## ARTICLE 7 PAID TIME OFF

### Section 1 PTO Accrual Rates

Paid time Off shall be granted to each Exempt employee and shall be accrued as follows:

Length of Service	Accrual Rate Per Pay Period	Annual Accrual Equivalent	Maximum Accrual
0 -3 years	9.23 hours	240 hours	480 hours
3 years and above	10.77 hours	280 hours	560 hours

Employees may accumulate Paid Time Off up to a maximum of two times the employee's annual entitlement. Upon reaching the maximum accrual, PTO hours will no longer accrue until they use PTO hours to bring their balance under the maximum.

Suppose the District has previously approved a PTO Leave request. Through no fault of the employee, the leave request is cancelled by the District, and an employee reaches the maximum accrual. In that case, the District will compensate the employee for additional hours accumulated beyond the maximum accrual until the requested leave can be granted.

Upon separation from the District, all Exempt Employees will be paid 100% of their accumulated Paid Time Off balance at the employee's present pay rate.

### Section 2 Paid Time Off Buyback

"Employees may cash out accrued paid time off (PTO) of a minimum of 40 hours once per year with the following stipulations:

- An IRREVOCABLE request must be completed and submitted during December for cashing out PTO on the last pay period in January of the following year.
- The irrevocable request may not exceed 280 hours.
- The employee must have taken at least 80 hours cumulative leave (PTO) between December 1<sup>st</sup> of the previous year and November 30<sup>th</sup> of the current year.
- The employee must maintain a minimum balance of 80 hours of accrued PTO.
- A request to cash out accrued PTO due to reasons of hardship may be made at any time. The General Manager must approve the hardship request and is subject to the unforeseeable emergency definitions of the internal revenue code. (Title 26, section 1.409a-3).

Suppose the IRS changes its regulations pertaining to this policy. In that case, the District will meet and confer with the bargaining unit to determine how to manage the impact of the regulatory changes.

### Section 3 Civic Duty Leave

RMWD recognizes and supports its employees' participation in civic activities such as jury duty, appearing in court as a witness, and serving as a reservist in the United States military.

When an employee is under orders to report for jury duty, to act as a witness, or for military reservist training, the District will pay for up to ten working days of Civic Duty Pay per calendar year except as



otherwise required by law. Compensation will be at the employee's regular wage rate, less any fees received from the court or compensation from the military for their service during those two weeks. In no event shall double pay to the employee result from civic duty. Civic duty service falling on a District holiday or employee's regularly scheduled day off is not payable as Civic Duty Pay. The District will not compensate the employee for mileage or meal expenses unless the employee testifies on a District-related matter.

Suppose an employee is serving as a juror for an extended period and has exhausted Civic Duty Pay. In that case, the employee will be required to use other forms of paid leave, such as PTO, Compensatory Time, or Holiday Bank. However, if the employee has already used 40 hours of PTO time for the jury service and continuing to use PTO would cause the employee's PTO balance to fall below 80 hours, the District will resume paying Civic Duty Pay. Each employee will be eligible for this extended Civic Duty Pay no more than one time for the term of this agreement.

The employee must present the notification to appear for Jury Duty or military duty to his/her supervisor as soon as it is received. Suppose a deferment is deemed necessary after consulting with the employee's supervisor. In that case, the employee should then request a letter be sent to the Jury Commissioner stating the reason(s) for deferment.

During Civic Duty Leave, employees are expected to report either to their assigned work at the District or to the court or military during working hours. It is the responsibility of the employees on Civic Duty Leave to advise their immediate supervisors of their jury duty schedule, which includes starting and ending daily.

Employees are not eligible for Civic Duty Leave when the employee is a party to the litigation or an expert witness. Employees should see Human Resources if they have questions about the Civic Duty Leave policy.

## Section 4 Holidays

The District will provide twelve paid holidays per year. Compensation for paid holidays will be for the entire length of the regularly scheduled shift. Whenever a designated holiday falls on a Sunday, the holiday will be observed on the following Monday. Whenever a designated holiday falls on a Saturday, the holiday will be observed on the preceding Friday. All paid holidays for each year of this contract are as follows:

Holidays (Observed)	2021	2022	2023
<b>New Year's Day</b>		Friday, December 31st, 2021	Monday, January 2nd, 2023
<b>Martin Luther King Jr Day</b>		Monday, January 17th, 2022	Monday, January 16th, 2023
<b>President's Day</b>		Monday, February 21st, 2022	Monday, February 20th, 2023
<b>Memorial Day</b>		Monday, May 30th, 2022	Monday, May 29th, 2023
<b>Independence Day</b>	Sunday, July 4th, 2021	Monday, July 4th, 2022	Tuesday, July 4th, 2023
<b>Labor Day</b>	Monday, September 6th, 2021	Monday, September 5th, 2022	Monday, September 4th, 2023
<b>Veterans Day</b>	Thursday, November 11th, 2021	Friday, November 11th, 2022	Friday, November 10th, 2023
<b>Thanksgiving Day</b>	Thursday, November 25th, 2021	Thursday, November 24th, 2022	Thursday, November 23rd, 2023
<b>Day After Thanksgiving</b>	Friday, November 26th, 2021	Friday, November 25th, 2022	Friday, November 24th, 2023
<b>Christmas Eve</b>	Thursday, December 23rd, 2021	Friday, December 23rd, 2022	Monday, December 25th, 2023
<b>Christmas Day</b>	Friday, December 24th, 2021	Monday, December 26th, 2022	Tuesday, December 26th, 2023
<b>New Year's Eve</b>	Thursday, December 30th, 2021	Friday, December 30th, 2022	Monday, January 1st, 2024

Holidays (Observed)	2024	2025	2026
<b>New Year's Day</b>	Tuesday, January 2nd, 2024	Wednesday, January 1st, 2025	Thursday, January 1st, 2026
<b>Martin Luther King Jr Day</b>	Monday, January 15th, 2024	Monday, January 20th, 2025	Monday, January 19th, 2026
<b>President's Day</b>	Monday, February 19th, 2024	Monday, February 17th, 2025	Monday, February 16th, 2026
<b>Memorial Day</b>	Monday, May 27th, 2024	Monday, May 26th, 2025	Monday, May 25th, 2026
<b>Independence Day</b>	Wednesday, July 3rd, 2024	Friday, July 4th, 2025	
<b>Labor Day</b>	Monday, September 2nd, 2024	Monday, September 1st, 2025	
<b>Veterans Day</b>	Monday, November 11th, 2024	Tuesday, November 11th, 2025	
<b>Thanksgiving Day</b>	Thursday, November 28th, 2024	Thursday, November 27th, 2025	
<b>Day After Thanksgiving</b>	Friday, November 29th, 2024	Friday, November 28th, 2025	
<b>Christmas Eve</b>	Tuesday, December 24th, 2024	Wednesday, December 24th, 2025	
<b>Christmas Day</b>	Wednesday, December 25th, 2024	Thursday, December 25th, 2025	
<b>New Year's Eve</b>	Tuesday, December 31st, 2024	Wednesday, December 31st, 2025	

### Holiday Bank

Holiday bank is granted to employees as a means to ensure all full-time employees receive the same number of holiday pay hours annually, as follows:

- Employees who work a 9/80 schedule will receive 8 hours of Holiday Bank for the holidays that fall on their regularly scheduled Fridays off. Holidays that fall on an A shift Friday off are highlighted in purple above. Holidays that fall on a B shift Friday off are highlighted in green above.

Holiday Bank hours will be issued at the beginning of the fiscal year (July 1st) to be available for use before the end of the fiscal year (June 30th). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

### Section 5 Meritorious Leave

The General Manager shall have the discretion to grant meritorious leave of up to five workdays per year to Exempt employees who demonstrate exemplary performance, partially offset time worked outside of regular working hours for which no compensation is received. Department Managers may recommend employees to receive Meritorious Leave based on performance evaluation ratings or following extraordinary performance on a specific work project.

Meritorious leave is not guaranteed or accrued, and the amount granted, if any, would be at the sole discretion of the General Manager. Meritorious leave is not a benefit that is eligible to be cashed out upon separation of employment or during the annual PTO cash-out period.

## ARTICLE 8 UNIFORMS

The District will provide one short-sleeved polo shirt and one long sleeve dress shirt to all office employees. No laundry services will be provided for t-shirts or polo shirts. Employees whose job requires more frequent customer contact may be issued additional polo shirts or dress shirts with General Manager's approval. All logo apparel shall be returned to the District upon separation of employment.



## ARTICLE 9 SAFETY FOOTWEAR

Employees whose jobs may require exposure to working in the field requiring ANSI-approved safety footwear are eligible for reimbursement not to exceed \$200.00 per fiscal year. The safety footwear allowance covers footwear that meets the approved ANSI standards for the steel/composite toe protection and may also include comfort inserts. Suppose an eligible employee needs replacement safety footwear before the fiscal year ends, due to heavy wear and tear, with approval from the Human Resources Manager or designee. In that case, they can be reimbursed for the replacement to ensure they are protected. Employees must submit a receipt of purchase and proof of ANSI compliance to be eligible for reimbursement. Exempt Employees must have the shoes available for wear during work hours.

## ARTICLE 10 NEW EMPLOYEE BARGAINING UNIT ORIENTATION

### Section 1 Advance Notice of New Employees' Start Dates

The District will provide advanced notification to the bargaining unit of each new employee's scheduled start date as follows:

- Ten days in advance whenever possible, OR
- As soon as a new employee's start date is known (if it is impossible to provide notice ten days in advance).

### Section 2 Access to New Employees during New Hire Orientation

The District will provide up to one (1) hour in each new employee's Orientation schedule for a representative of the bargaining unit to meet with the new employee. The purpose of these meetings is to introduce the new employee to the bargaining representative, review the appropriate MOU, and answer any questions the employee may have regarding the bargaining unit or the collective bargaining process.

The District will create a portal on the online Onboarding system for each bargaining unit. A designated representative from each bargaining unit will be granted Administrator access to add, update, edit, and delete content from that bargaining unit's portal as an ongoing communication tool with its new and existing members.

### Section 3 Access to Employee Contact Information

- The District will provide the designated representative of each bargaining unit with a list of all current employees in the bargaining unit and their contact information, including Full Name, Position, Department, and District email address.
- The District will provide the appropriate bargaining unit with the contact information described above for each new employee within five (5) business days of the new employee's start date or transfer into the bargaining unit.
- The District will notify the appropriate bargaining unit of each separation of employment or transfer out of the bargaining unit within five (5) business days of said change to remove the employee from their contact list.
- Due to privacy concerns, the Bargaining Unit expressly waives its right to receive employee's personal contact information, including home phone numbers, personal cell phone numbers, and personal email addresses.

- Due to privacy concerns, the Bargaining Units expressly waives its right to receive a list of all employees' contact information every 120 days instead of agreeing to the above provisions.

## ARTICLE 11 SEVERANCE PAY

Suppose the District exercises its right to end its at-will employment relationship with any Exempt employee. In that case, the employee shall be eligible for Severance Pay according to the terms below:

Exempt employees shall be entitled to Severance Pay and District-paid COBRA insurance coverage (for medical, dental, vision, and EAP) according to the following schedule:

Length of Service	Severance Pay
Less than one year	4 weeks' pay and one month of COBRA
Between 1 year – 2 years of service	8 weeks' pay and two months of COBRA
Between 2 years – 3 years of service	12 weeks' pay and three months of COBRA
Three or more years of service, or any Exempt employee hired on or before June 30th, 2021	120 calendar days (8.6 pay periods) of the employee's current base compensation and four months of COBRA.

*Intent: Current base compensation is defined as the regular pay Exempt Employee is receiving as outlined on the current Personnel Action Notice form on file with the District at Time of separation of employment.*

Employee's right to receive the severance pay set forth above is conditioned upon the Exempt Employee executing a release of claims against the District. However, no Exempt Employee is entitled to any of the severance benefits provided in this Article if the Exempt Employee's termination is due to egregious conduct including, but not limited to, assault, battery, harassment, reporting to work under the influence of drugs or alcohol, theft, embezzlement, or other illegal activity.

## ARTICLE 12 ME-TOO CLAUSE

Suppose the District commences negotiations for a successor MOU with any other bargaining unit before the Rainbow Exempt Employees are due to commence negotiations. In that case, Rainbow Exempt Employees may send one representative and one alternate to participate in joint negotiations, limited to the topics of Cost-of-Living Adjustments and Medical Insurance cost-sharing terms. Upon agreement between the District and the Rainbow Exempt Employees, Article 5, Section 1 COLAs, and Article 6 Section 1 Medical Insurance may be modified by Addendum before the expiration of the term of this agreement, as long as it is no less than what is contained herein.



## ARTICLE 13 RENEGOTIATIONS

If the Exempt Employees and the General Manager desires to negotiate the provisions of a successor Memorandum of Understanding, said party should serve upon the other not later than January 15th, 2025, its written request to commence negotiations. Upon receipt of such written notice and proposals, meet and confer shall begin no later than February 15th, 2025, unless written notice is given by either party and agreed to by the other party before February 15th, 2025, agreeing to an alternate starting date. The target date for the completion of negotiations is June 14th, 2025.

## ARTICLE 14 MODIFICATIONS, WAIVER

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto and, if required, approved and implemented by the District's Board of Directors. The waiver of any breach, term, or condition of the Memorandum of Understanding by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

## ARTICLE 15 PROVISIONS OF LAW

This Memorandum of Understanding is subject to all current and future applicable federal, state, and local laws. Suppose any part or provision of the Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of federal, state, or local laws or regulations, or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such applicable law or regulations. In that case, the remainder of the Memorandum of Understanding shall not be affected thereby.

## ARTICLE 16 DISTRICT RIGHTS

It is understood and agreed that the District possesses the sole right and authority to operate and direct the Exempt Employees of the District and its various departments in all aspects, including, but not limited to, all rights and authority exercised by the District before the execution of this agreement. These rights include, but are not limited to:

1. The right to determine its mission, policies, and to set forth all standards of service offered to the public;
2. To plan, direct, control, and determine the operations or services to be conducted by Exempt Employees of the District;
3. To determine the methods, means, number of personnel needed to carry out the District's mission;
4. To direct the working forces;
5. To hire and assign or to transfer employees within the departments;
6. To promote, suspend, discipline or discharge;
7. To lay off or to relieve employees due to lack of work or funds or for other legitimate reasons;
8. To make, publish and enforce rules and regulations;
9. To introduce new or improved methods, equipment, or facilities;

- 10. To take any and all actions as may be necessary to carry out the mission of the District in situations of civil emergency as may be declared by the President of the Board of Directors or the General Manager; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this agreement.

The Board of Directors has the sole authority to determine the purpose and mission of the District and the amount of budget to be adopted.

### ARTICLE 17 ENTIRE AGREEMENT

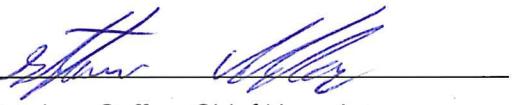
The parties acknowledge that during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands and proposals concerning any subject or matter not removed by law from the area of collective bargaining and that the understanding and agreements arrived at by the parties after the exercise of that right and opportunity are outlined in this agreement.

Therefore, the District and the Exempt Employees, for the duration of this agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively concerning any subject or matter referred to or covered in this agreement, or concerning any subject or matter not explicitly referred to, or covered in this agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this agreement. This agreement may only be amended during its term by the parties' mutual agreement in writing.

Approved by the Board of Directors of the Rainbow Municipal Water District and the Rainbow Exempt Employees on June 22nd, 2021.

  
\_\_\_\_\_  
Hayden Hamilton, Board President  
RAINBOW MUNICIPAL WATER DISTRICT

Date: 6/22/2021

  
\_\_\_\_\_  
Stephen Coffey, Chief Negotiator  
RAINBOW EXEMPT EMPLOYEES

Date: JUNE 22nd, 2021

